



GOV. MSG. NO. 1218

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 12, 2015

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 12, 2015, the following bill was signed into law:

SB101 SD1 HD1 CD1

RELATING TO THE BUDGET  
**ACT 118 (15)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

RECEIVED  
SENATE  
OFFICE OF THE PRESIDENT

'15 JUN 12 P4:10

RECEIVED  
THE SENATE  
CLERK'S OFFICE  
STATE OF HAWAII

'15 JUN 12 P5:11

# A BILL FOR AN ACT

RELATING TO THE BUDGET.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The State began using Hawaii tobacco settlement special fund moneys fifteen years ago to support tobacco prevention and control, health promotion, disease prevention, and children's health programs. Since then, the State has made great strides in tobacco prevention and control; however, the legislature finds that the revenue stream into the Hawaii tobacco settlement special fund has fluctuated. In addition, varying state needs for tobacco prevention and control programs have led to significant variations in the allocations from the Hawaii tobacco settlement special fund from year to year.

The purpose of this Act is to enable greater budgetary stability and transparency over state funds and maximize financial resources for tobacco prevention and control by:

(1) Amending the distribution amounts allocated from the Hawaii tobacco settlement special fund; and

(2) Appropriating general fund revenues to budget programs and items that were formerly supported by the Hawaii tobacco settlement special fund.



1 SECTION 2. Section 328L-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) The fund shall be used for the purpose of receiving,  
4 allocating, and appropriating the tobacco settlement moneys as  
5 follows:

6 (1) ~~[Twenty-four and one-half]~~ Fifteen per cent shall be  
7 appropriated into the emergency and budget reserve  
8 fund under section 328L-3;

9 ~~[(2) Thirty-five per cent shall be appropriated to the  
10 department for purposes of section 328L-4;~~

11 ~~-(3)]~~ (2) Twelve and one-half per cent shall be  
12 appropriated into the Hawaii tobacco prevention and  
13 control trust fund under section 328L-5; [and

14 ~~-(4) Twenty-eight]~~ (3) Twenty-six per cent shall be  
15 appropriated into the university revenue-undertakings  
16 fund created in section ~~[[304A-2167],]~~ 304A-2167.5, to  
17 be applied ~~[solely]~~ to the payment of the principal of  
18 and interest on, and to generate required coverage, if  
19 any, for, revenue bonds issued by the board of regents  
20 of the University of Hawaii to finance the cost of  
21 construction of a university health and wellness



1 center, including a new medical school facility, to be  
2 situated on the island of Oahu[, ~~for the succeeding~~  
3 ~~fiscal year, provided that any moneys in excess of the~~  
4 ~~amount required to pay principal of and interest on,~~  
5 ~~and to generate required coverage, if any, for such~~  
6 ~~revenue bonds in any fiscal year, shall be transferred~~  
7 ~~as follows:~~

8 ~~(A) To the emergency and budget reserve fund under~~  
9 ~~section 328L-3, eighty per cent of the excess,~~  
10 ~~and~~

11 ~~(B) To the Hawaii tobacco prevention and control~~  
12 ~~trust fund under section 328L-5, twenty per cent~~  
13 ~~of the excess]; and~~

14 (4) Any remaining amounts shall be deposited to the credit  
15 of the state general fund;

16 in the succeeding fiscal year."

17 SECTION 3. Section 328L-5, Hawaii Revised Statutes, is  
18 amended as follows:

19 1. By amending subsection (a) to read:

20 "(a) There is established the Hawaii tobacco prevention  
21 and control trust fund as a separate fund of a nonprofit entity



1 having a board of directors and qualifying under section  
2 501(c)(3) of the Internal Revenue Code of 1986, as amended, into  
3 which shall be deposited moneys received as provided under  
4 section ~~[328L-2(b)(3)-]~~ 328L-2(b)(2). The director of health  
5 with the concurrence of the governor, shall select, in  
6 accordance with law, the entity based upon the proven record of  
7 accomplishment of the entity in administering a similar trust  
8 fund."

9 2. By amending subsection (e) to read:

10 "(e) The assets of the Hawaii tobacco prevention and  
11 control trust fund shall consist of:

12 (1) Moneys appropriated under section ~~[328L-2(b)(3)-]~~  
13 328L-2(b)(2);

14 (2) Moneys appropriated to the Hawaii tobacco prevention  
15 and control trust fund by the state, county, or  
16 federal government;

17 (3) Private contributions of cash or property; and

18 (4) Income and capital gains earned by the trust fund."

19 SECTION 4. Section 328L-4, Hawaii Revised Statutes, is  
20 repealed.



1 ~~["§328L-4 Use of funds appropriated to the department.~~

2 ~~The department, immediately upon receipt of the moneys~~  
3 ~~appropriated pursuant to section 328L-2(b)(2) shall:~~

4 ~~(1) Transfer up to ten per cent of the total moneys~~  
5 ~~received by the State from tobacco settlement moneys~~  
6 ~~to the department of human services for the children's~~  
7 ~~health insurance program; and~~

8 ~~(2) Expend the remainder of the moneys received by the~~  
9 ~~department for health promotion and disease prevention~~  
10 ~~programs, including but not limited to, maternal child~~  
11 ~~health and child development programs, promotion of~~  
12 ~~healthy lifestyles (including fitness, nutrition, and~~  
13 ~~tobacco control), and prevention oriented public~~  
14 ~~health programs.~~

15 ~~For purposes of paragraph (2), the director shall convene~~  
16 ~~an advisory group that shall be separate from the tobacco~~  
17 ~~prevention and control advisory board, to strategically plan the~~  
18 ~~development and implementation of preventive systems to achieve~~  
19 ~~measurable outcomes and to make recommendations for the~~  
20 ~~expenditure of these moneys. The advisory group shall be~~  
21 ~~composed of nine members with expertise in the programs under~~



1 ~~paragraph (2), and shall be selected at the discretion of the~~  
2 ~~director."]~~

3 SECTION 5. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$4,716,750 or so much  
5 thereof as may be necessary for fiscal year 2015-2016 and the  
6 same sum or so much thereof as may be necessary for fiscal year  
7 2016-2017 for health care payments (HMS401) for operating  
8 expenses of the children's health insurance program.

9 The sums appropriated shall be expended by the department  
10 of human services for the purposes of this Act.

11 SECTION 6. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$6,424,410 or so much  
13 thereof as may be necessary for fiscal year 2015-2016 and the  
14 sum of \$6,507,305 or so much thereof as may be necessary for  
15 fiscal year 2016-2017 to fund positions and other operating  
16 expenditures in HTH590, chronic disease prevention and health  
17 promotion, for the purposes of this Act; provided that funds  
18 appropriated in this Act may be transferred with the approval of  
19 the governor to HTH590, chronic disease prevention and health  
20 promotion, in the General Appropriations Act of 2015 (House Bill  
21 No. 500, H.D. 1, S.D. 1, C.D. 1), for expenditure.





1       The sums appropriated shall be expended by the department  
2 of health for the purposes of this Act.

3       SECTION 7. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$3,000,000 or so much  
5 thereof as may be necessary for fiscal year 2015-2016 and the  
6 same sum or so much thereof as may be necessary for fiscal year  
7 2016-2017 for family health services (HTH560) to be matched by  
8 \$9,000,000 in federal funds for the Hawaii Home Visiting Network  
9 program.

10       The sums appropriated shall be expended by the department  
11 of health for the purposes of this Act.

12       SECTION 8. The department of health shall submit a report  
13 to the legislature no later than February 1, 2016, on the  
14 expenditure of moneys appropriated under section 6 of this Act.  
15 The report shall include itemized lists of expenditures:

16       (1) Made from July 1, 2015, to December 31, 2015; and

17       (2) Made or planned for the period of January 1, 2016, to  
18 June 30, 2016.

19       SECTION 9. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21       SECTION 10. This Act shall take effect on July 1, 2015.

S.B. NO. 101  
S.D. 1  
H.D. 1  
C.D. 1

APPROVED this 12 day of JUN, 2015

A handwritten signature in black ink, appearing to read "David Ige", written in a cursive style.

GOVERNOR OF THE STATE OF HAWAII